

Resolution No:	16-1277
Introduced:	March 2, 2010
Adopted:	March 9, 2010

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By County Council

SUBJECT: Conditional Purchase Agreement - Certificates of Participation - Ride On Buses

Background

1. In the Capital Improvements Program project titled “Ride On Bus Fleet”, number 500821, (the “Equipment”) the Montgomery County Council approved the purchase of 77 Ride On Buses in FY08 - FY09, which the County bought, financed by an advance from the General Fund. The intent at the time of purchase was, and still is, that the buses will be financed with short term financing.
2. The County has a need for the Equipment to provide improved and continued public services for the citizens of the County.
3. The Director of Finance of the County determined that the most cost-effective method of short term financing is a conditional purchase agreement (“Conditional Purchase Agreement”) with a financial institution and the sale of certificates of participation in the payment of purchase installments under the Conditional Purchase Agreement.
4. The proceeds from the sale of the certificates of participation will be used to reimburse the General Fund, to pay the costs of issuance, and as deemed appropriate by the County Executive or Chief Administrative Officer to pay a portion of the debt service on the certificates of participation.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

Section 1. The Council approves the execution and delivery by the County Executive or the Chief Administrative Officer of the Conditional Purchase Agreement in an amount not to exceed \$23,000,000, the sale of the certificates of participation in the purchase installments payable under the Conditional Purchase Agreement, and the execution and

delivery by any other officers, officials, employees or agents of the County of all other related documents necessary to consummate the transactions contemplated therein. The Conditional Purchase Agreement may be executed and delivered in order to provide funds sufficient to finance all or a portion of the costs of the Equipment.

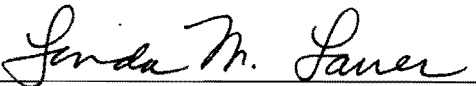
Section 2. The County's obligation to make payments under the Conditional Purchase Agreement must be subject to annual appropriation by the County Council. The Conditional Purchase Agreement is not debt of the County under the Constitution and Laws of Maryland, the Montgomery County Code, or the Public Local Laws of Montgomery County, Maryland or for any other purpose. The Conditional Purchase Agreement will not be a general obligation of the County and does not constitute debt of the County within the meaning of any constitutional or statutory limitation or a charge against the general credit or taxing powers of the County.

Section 3. The County may cause to be sold the certificates of participation representing proportional interests in the purchase installments payable under the Conditional Purchase Agreement. The certificates of participation may be sold at public, competitive sale or in such other manner permitted by law and determined by the County Executive or Chief Administrative Officer to be in the best interests of the County. The proceeds of the sale of the certificates of participation in the purchase installments, including any premium paid for such certificates, and including investment earnings, will be used to reimburse the General Fund for the amount advanced for the 77 Ride On buses, to pay the costs of issuance of the certificates of participation, and as deemed appropriate by the County Executive or Chief Administrative Officer to pay a portion of the debt service on the certificates of participation all as may be further specified and provided in the Conditional Purchase Agreement and other related documents necessary to consummate the transactions approved in this Resolution.

Section 4. The Conditional Purchase Agreement and the certificates of participation must be in such form as the County Executive or the Chief Administrative Officer approve. The execution and delivery of the Conditional Purchase Agreement and the certificates of participation constitute conclusive evidence of such approval.

Section 5. This Resolution takes effect upon its adoption.

This is a correct copy of Council action:


Linda M. Lauer, Clerk of the Council